

Louisiana Property and Casualty
Insurance Commission
Louisiana Department of Insurance
P.O. Box 94214
Baton Rouge, LA 70804-9214
www.lidi.state.la.us

Louisiana Property and Casualty
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Monthly Report
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Hurricane Katrina Information

The Storm

When Hurricane Katrina, a catagory 4 storm with winds of 145 miles per hour, slammed into the small community of Buras, Louisiana at 6:10 a.m., August 29th, no one could imagine the destruction the storm would leave in its path. Veterans of past storms cannot compare the vastness of the total devastation stretching along the Gulf Coast from Louisiana to Mississippi and Alabama.

Katrina has become the third deadliest natural disaster to hit the United States. Louisiana had the highest death toll with 896 , with New Orleans accounting for most of the victims. There is no precedent in history where a major American city had to be evacuated as did New Orleans. There is probably not a line of insurance that won’t be affected by Hurricane Katrina.

The Department of Insurance

On the morning after the storm, Commissioner Wooley called in key employees to the Department of Insurance, opening the office while other state offices remained closed. The commissioner outlined the strategy and the important role the Department would play in this catastrophic event. In a matter of hours, the Department was answering consumer questions and connecting consumers with their insurance company’s new emergency phone numbers. He issued an appeal to all the Department’s employees that were able to report to work to do so on the following day. More than two-thirds of the employees were at their desk helping the less fortunate storm evacuees.

Emergency Summit Meeting

Commissioner Wooley understood the unique problems and challenges that the people and businesses of this state would face in the aftermath of the storm. He called for a summit meeting of the insurers writing business in the state, in order to discuss recommendations for the emergency orders that would be issued for the consumers of Louisiana.¹ Input was vital from all aspects of insurance coverage which included health, life and homeowners. Over 450 industry representatives attended the Atlanta meeting, including the president of the National Association of Insurance Commissioners and the commissioners from Alabama, Florida and Georgia. “There is an incredible opportunity for the insurance industry to be involved with the rebuilding of the state’s economy along with the state and federal government,” stated Commissioner Wooley.

Source 1: Emergency Rules 15, 16 and 17 are now posted on the Department of Insurance’s web site: www.lidi.state.la.us

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- ◆ The *Monthly Report* is the newsletter of the Louisiana Property and Casualty Insurance Commission, Louisiana Department of Insurance, 1702 N. 3rd Street, 3rd Floor, P.O. Box 94214, Baton Rouge, LA 70804-9214 225-342-7187 (PH) 225-342-6057 (FX)

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- LA Property & Casualty Insurance Commission Staff**

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- ◆ The Louisiana Property and Casualty Insurance Commission was created by the enactment of R.S. 22:15 in the 2001Regular Session of the Louisiana Legislature to review and examine the availability and affordability of property and casualty insurance in the state of Louisiana. The commission will also undertake a comprehensive study and provide oversight and enforcement recommendations of the effectiveness of law enforcement and implementation of programs aimed at enforcement throughout the state of those laws and programs which affect property and casualty insurance rates.

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“Frequently Asked Questions” for Property and Casualty

Q. Filing Claim: How do I know which policy to file my claim under? I have a homeowners policy, a flood policy and a windstorm policy.

A. Use your best judgment once you have determined your damages. You may need to file your claim with all three policies. The adjuster or adjusters will take care of determining which policy covers which part of your loss.

Q. Policy Cancellation: If I make a claim for damages caused by the hurricane, can my insurance company cancel my policy?

A. No, companies cannot cancel or not renew a homeowners policy for losses caused solely by an Act of God.

Q. Adjuster & Time to Assess Damage: How long should it take for an adjuster to come to my house to assess the damages caused by the hurricane?

A. It depends on the severity of the damage caused by the storm. Adjusters go into the disaster areas as soon as they are permitted to do so by emergency officials. If you have reported your loss to the company, they should be able to give you an estimate on the time the adjuster should arrive. Remember, in severe disasters, claims are prioritized by severity of damages.

Q. Making Repairs: Should I go ahead and make repairs to my damaged property or wait for the insurance adjuster?

A. Contact your agent or company for instructions. Generally, you should make temporary repairs needed to prevent further damage only. The adjuster will need to see the damage to evaluate your loss. Take “before and after” pictures and keep all of your receipts for materials used in emergency repairs. Do not throw any documentation away.

Q. Adjuster Contact: What do I do when the adjuster contacts me?

A. When the adjuster contacts you, ask for identification. Do not permit an adjuster to inspect your property without proper I.D. Unscrupulous repairmen often try to take advantage of people who have suffered storm losses.

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| Louisiana Property and Casualty Insurance Commission Members | | |
|--|--------------------------------|-------------------------|
| Commissioner Robert Wooley | | Tom O’Neal |
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| H. “Marc” Carter | Kay Hodges | Chad Brown |
| Senator James David Cain | Richard L. Stalder | Lorrie Brouse |

Q. Windstorm/Flood & Adjusters: My home has been damaged by windstorm and by flood. Will I have to see two adjusters?

A. Generally you will have separate adjusters if your homeowners and flood insurance are with separate companies. If your coverages are with the same company, then the wind and flood losses could be handled by the same adjuster.

Q. Automobile Storm Damage: What types of storm damage are covered under my automobile policy?

A. 1. If Comprehensive coverage, sometimes called “Other Than Collision” coverage, is included in your policy, wind and flood damages should be covered.

2. Vehicles that are overturned by the force of the wind or blown into or against other objects by the wind are considered damaged by windstorm and should be covered under Comprehensive.

3. Broken auto glass caused by objects blown by the wind is usually considered covered by Comprehensive.

4. Auto glass that pops out due to sudden drops in atmospheric pressure is usually considered cover by Comprehensive.

Q. My Boat Damages Neighbor’s House: My boat was blown into my neighbor’s house during the storm. Should my boat policy cover the damage to his house?

A. No. Your neighbor’s homeowners policy would cover the damage to his house unless you were negligent and held liable due to that negligence.

Q. Buying Flood Insurance: Can I buy federal flood insurance through my insurance agent?

A. Yes, you can purchase federal flood insurance through your insurance agent or you can contact the National Flood Insurance Program at www.floodsmart.gov for assistance.

Q. Can I buy flood insurance if my property has been flooded?

A. Yes, even if your home has been flooded before.

Q. High Risk Flood Area: Can I buy flood insurance if I am located in a high risk flood area?

A. You can buy federal flood insurance no matter where you live in Louisiana.

Q. When to Purchase: Can I purchase flood insurance immediately before or during a flood?

A. Generally, you can buy flood insurance coverage at any time. However, expect to wait 30 days before the policy takes effect.